

## Editorial: All public agencies should look at Contra Costa County's deal

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CONTRA COSTA County supervisors, management and public employee unions deserve high praise for successfully negotiating a two-year contract for county workers.

Everyone involved understood that we are in a severe recession that required sacrifice across the board. They also realized that Contra Costa, like many other counties in the state, faces budget shortfalls, declining real estate and sales tax money, and revenue take-aways by the state.

Fortunately, county public employee unions and management began working on the contract early enough to thoroughly examine the economic situation.

As a result, they have reached a workable agreement that foregoes pay raises, approves 48 hours of furloughs in each of the two years and opens the way to save money on benefit expenses for current workers and retirees.

Employees and the county will split cost increases in medical insurance premiums (up to 11 percent) 50-50. Until now, the county paid the full increase.

In May 2011, the county will convert from a percentage share to a dollar contribution to medical premiums. This will put the county in a better position to control medical care premium costs in the future, according to Supervisor John Gioia.

Supervisors also plan to apply the new medical premium formula to themselves and the county's top managers.

New employees no longer will receive lifetime retiree health care benefits.

Instead, they will get \$150 a month in deferred compensation, which they can use for health insurance after they retire.

This change, along with plans to cap contributions to existing retiree health insurance premiums, will substantially reduce the county's long-term post-employment financial obligations. The county expects to lower its annual contributions to retiree benefits by \$28 million, down to \$101 million.

The success of the new county contract is the result of much hard work by supervisors and management. But we would like to give special credit to the public employee unions, which

agreed to realistic concessions that have yet to be attained by other public agencies, including BART, the East Bay Regional Park District and the West Contra Costa school district.

Public Employees Union Local One spokesman Rollie Katz succinctly explained why his and other county employee unions were willing to agree to such a stringent contact.

He said his members understood the severity of the economic situation, that the county has serious financial problems and that they had to accept having less money for the next two years.

It isn't easy for a government agency to ask its workers to endure lower pay and benefits, and it is even more difficult for union leaders and members to agree. But they unselfishly and overwhelmingly endorsed the new contract.

On the positive side, because of the pay freeze, furloughs and lower benefit costs, Contra Costa County will be able to preserve jobs and critical services for county residents, while substantially reducing the huge post-employment benefits liability.

The agreement bodes well for both the short-term and long-term economic health of the county and should be used as a model for other public agencies that are struggling to balance their budgets and still provide basic services in a deep and protracted recession.